



Utah!

Where ideas connect

Real Estate Investment Trust

2004

Form TC-20REIT Tax Return and Instructions

Utah State Tax Commission • 210 North 1950 West • Salt Lake City, UT 84134
www.tax.utah.gov

What's New?

- **Interest Rate:** The Utah interest rate for the 2005 calendar year is 4 percent.
- **Farm Operation Hand Tools Credit:** A new refundable credit replaces the exemption from sales tax for hand tools purchased and used in a farm operation in Utah. See Utah TC-20 instructions, page 11.
- **Paid Preparer Authorization:** The corporation may now designate the paid preparer to discuss the return with the Tax Commission. See page 5.

Important Information Regarding Extension of Time to File

An extension of time to file your tax return is NOT an extension of time to pay your taxes. Tax must be paid by the due date. You are automatically allowed an extension of up to six months to file your return. However, if the prepayment requirements have not been met on or before the original due date, penalties will be assessed.

Need more information?

Telephone (801) 297-2200 or 1-800-662-4335

Forms (801) 297-6700 or 1-800-662-4335 ext. 6700

You can find additional tax information and forms on the Tax Commission's web page, tax.utah.gov

If you need an accommodation under the Americans with Disabilities Act, contact the Tax Commission at (801) 297-3811 or Telecommunications Device for the Deaf (TDD) (801) 297-2020. Please allow three working days for a response.

Online Services



Visit our website for detailed tax information and all Utah State tax forms and instructions.

tax.utah.gov

Pay tax due and make payments online with a credit card or e-check.

paymentexpress.utah.gov

**PAYMENT
EXPRESS**

References

UCA: Utah Code Annotated

IRC: Internal Revenue Code

Utah State Tax Commission
210 N 1950 W, Salt Lake City, UT 84134
**Utah Income Tax Return for
Real Estate Investment Trusts**

2004
TC-20
REIT
Rev. 12/04

This return is for the calendar year ending Dec. 31, 2004, or fiscal year beginning _____ and ending _____.

☐ **FOR AMENDED RETURN - ENTER CODE (1 - 4) from page 4.**

Check box(es) if this is a new address: • <input type="checkbox"/> Physical address • <input type="checkbox"/> Mailing address	Corporation name			Employer Identification Number
	Address			Utah Incorporation/Qualification Number
				Telephone Number ()
	City	State	Zip code	

1. Net income/loss (federal form 1120-REIT, line 22)
2. Federal net operating loss deduction (federal form 1120-REIT, line 21(a))
3. Apportionable income or loss (add lines 1 and 2)
4. Apportionment fraction (100% or Schedule J, line 7)
5. Utah taxable income/loss (line 3 multiplied by line 4). If line 5 is a (loss) and the election was ... made to forego the federal net operating loss carryback, do you also want to forego the Utah net loss carryback? If an election is not indicated by marking a box, it will be assumed that the federal election was not made and the Utah loss will be treated as a carryback (see instructions).
6. Utah net loss carried forward from prior years (attach documentation) (see instructions)
7. Net taxable income (subtract line 6 from line 5)
8. Tax (line 7 multiplied by .05, or \$100 minimum tax due, whichever is greater)
9. Total the penalties and interest listed below and enter on this line
- Extension penalty \$ _____ Interest \$ _____
Late payment penalty \$ _____ Late filing penalty \$ _____

1	\$	00
2		00
3		00
4		%
5	\$	00

• Yes ☐ No ☐

6		00
7	\$	00
8		00
9		00

10. Utah use tax, if \$400 or less (see instructions)
11. Total tax, penalties and interest due (add lines 8, 9 and 10).....
12. Total prepayments (Schedule E, line 4)
13. Total tax due (if line 11 is greater than line 12, subtract line 12 from line 11)
- Make check payable to: UTAH STATE TAX COMMISSION**
14. Total refund (if line 12 is larger than line 11, subtract line 11 from line 12)

10		00
11		00
12		00
13	\$	00
14	\$	00

15. Check box(es) corresponding with installments that qualify for exceptions
- (See "Exceptions to Penalty on Estimated Tax" in the instructions.)
Attach supporting documentation.

1 ☐ 2 ☐ 3 ☐ 4 ☐

OFFICE USE ONLY

NOTE: Attach a copy of federal form 1120-REIT to this return.

Under penalties of perjury, I declare that to the best of my knowledge and belief, this return and accompanying schedules are true, correct and complete.

Signature of officer

Title

Date

☐ Check here if the Tax Commission may discuss this return with the preparer shown below (see page 5)

Paid Preparer's Section	Preparer's signature	Date signed	Preparer's SSN/PTIN
	Firm's name (or yours, if self-employed)	Telephone	Preparer's EIN
	Preparer's complete address (street, city, state, zip code)		

Supplemental Information To Be Supplied By All Real Estate Investment Trusts

NOTE: An automatic extension of the statute of limitations relating to assessments of tax is provided by Utah Code Ann. §59-7-519 for failure to report fully the information required.

1. What is the last year for which a federal examination has been completed?

Under separate cover, send a summary and supporting schedules for the federal adjustments and the federal tax liability for each year for which federal audit adjustments have not been reported to the Tax Commission and indicate date of final determination. Forward information to Auditing Division, Utah State Tax Commission, 210 North 1950 West, Salt Lake City, UT 84134-2000.

2. For what years are federal examinations now in progress, or final determination of past examinations still pending?

3. For what years have extensions for proposing additional assessments of federal tax been agreed to with the Internal Revenue Service?

Schedule E - Prepayments of Any Type - Enter the total from line 4 below on line 12 of TC-20 REIT.

1. Overpayments applied from prior year	1		00
2. Extension prepayment Date _____ Check number _____	2		00
3. Other prepayments (attach additional page(s) if necessary)			
(a) Date _____ Check number _____	3(a)		00
(b) Date _____ Check number _____	3(b)		00
(c) Date _____ Check number _____	3(c)		00
(d) Date _____ Check number _____	3(d)		00
Total of other prepayments (add lines 3(a) through 3(d)).....	3		00
4. Total prepayments (add lines 1, 2 and 3) Enter here and on TC-20 REIT, line 12	4		00

Schedule J - Apportionment Schedule

TC-20 J, Rev. 12/04
(for use with TC-20, TC-20S, TC-20REIT & TC-20UBI)

Corporation Name

Taxable Year Ending

Employer Identification Number

**NOTE: Use this schedule only if income is taxable in another state and should be apportioned to Utah.
Use this schedule with corporate forms TC-20, TC-20S, TC-20REIT and TC-20UBI.**

Describe briefly the nature and location(s) of your Utah business activities:

1. Tangible Property

(a) Land

(b) Depreciable assets

(c) Inventory and supplies

(d) Rented property

(e) Other tangible property

2. Tangible Property (total 1(a) through 1(e))

(a) Fraction (line 2, Column A, divided by line 2, Column B)

3. Wages, Salaries, Commissions and Other Includable Compensation

(a) Fraction (line 3, Column A, divided by line 3, Column B)

4. Gross Receipts from Business

(a) Sales (gross receipts less returns and allowances)

(b) Sales delivered or shipped to Utah purchasers:

(1) Shipped from outside Utah

(2) Shipped from within Utah

(c) Sales shipped from Utah to:

(1) United States Government

(2) Purchasers in a state(s) where the taxpayer has no nexus...
(The corporation is not taxable in the state of purchaser.)

(d) Rent and royalty income

(e) Service income (attach schedule)

5. Total Sales and Services (total 4(a) through 4(e))

(a) Fraction (line 5, Column A, divided by line 5, Column B)

6. Total of lines 2(a), 3(a) and 5(a)

7. Calculate the **Apportionment Fraction** to **SIX DECIMALS**: (line 6 divided by 3 or the number of factors present)

Enter the amount from line 7 as follows:

TC-20 filers - enter on TC-20, Schedule A, line 9

TC-20S filers - enter on TC-20S, Schedule A, line 8

TC-20REIT filers - enter on TC-20REIT, line 4

TC-20UBI filers - enter on TC-20UBI, line 2

General Instructions and Information

Corporation Identification Numbers

The Utah State Tax Commission uses the Federal Employer Identification Number (EIN) as the corporation's taxpayer identification with the state. The Utah Department of Commerce also issues a registration number upon incorporation or qualification in Utah. Enter both the EIN and Utah Incorporation/Qualification Number in the fields provided. These numbers are used for proper identification of the corporate tax return and any correspondence.

Corporation Changes

Corporation changes (e.g., name change, physical and/or mailing address changes, merger, or ceasing to do business in Utah) must be reported to both:

Division of Corporations
Department of Commerce
160 E 300 S
Salt Lake City, UT 84145

and

Master File Maintenance
Utah State Tax Commission
210 N 1950 W
Salt Lake City, UT 84134-3310

Dissolution or Withdrawal

Corporations that cease to do business in Utah must either dissolve or withdraw the corporation.

Corporations incorporated in Utah must file Articles of Dissolution with the Department of Commerce. In addition, Utah corporations should obtain a Certificate of Tax Clearance from the Tax Commission prior to dissolution.

Corporations incorporated outside of Utah (foreign) MUST obtain a Certificate of Tax Clearance from the Tax Commission before withdrawing from Utah. Foreign corporations must file an Application for Withdrawal with the Department of Commerce.

To request a Certificate of Tax Clearance, complete form TC-2001 and submit it to the attention of the Customer Services Call Unit at the Tax Commission address above.

To close related tax accounts (sales, withholding, etc.), send a letter, with the account number(s) and the last date of business, to the attention of Master File Maintenance at the Tax Commission address above.

Rounding Off to Whole-Dollar Amounts

Round off cents to the nearest whole dollar. Round down if cents are under 50 cents; round up if cents are 50 cents and above. **Do not enter cents anywhere on the return.**

Who Must File

The Tax Commission does not mail returns for filing corporate taxes to corporations registered with the state. If the corporation does not use software that provides the forms, you may obtain Utah forms by downloading copies from the Tax Commission website at tax.utah.gov, or by calling the Forms Hotline at (801) 297-6700 or 1-800-662-4335, ext. 6700.

Homeowners Association

A homeowners association incorporated in Utah (domestic), qualified in Utah (foreign), or doing business in Utah, whether qualified or not, must file a homeowners association tax return, form TC-20HA, when it has taxable income for federal purposes and has filed federal form 1120-H. Attach a copy of your federal form 1120-H as filed with the IRS to your Utah return. Other detail schedules should NOT be included with the initial filing. The Auditing Division of the Tax Commission may request these detail schedules at a later date.

Regulated Investment Company (RIC)

Every regulated investment company (RIC) or fund of such company, as defined in IRC Sections 851(a) or 851(h), that is organized under the laws of Utah must file form TC-20R. Attach a copy of your federal form 1120-RIC as filed with the IRS to your Utah return. Other detail schedules should NOT be included with the initial filing. The Auditing Division of the Tax Commission may request these detail schedules at a later date.

Real Estate Investment Trust (REIT)

Every real estate investment trust (REIT) or fund of such company, as defined in IRC Section 856, that is registered or doing business in Utah must file form TC-20REIT. Doing business in Utah includes owning an interest in Utah real property. Attach a copy of your federal form 1120-REIT as filed with the IRS to your Utah return. Other detail schedules should NOT be included with the initial filing. The Auditing Division of the Tax Commission may request these detail schedules at a later date.

Exempt Corporation with Unrelated Business Income

An exempt corporation incorporated in Utah (domestic), qualified in Utah (foreign), or doing business in Utah whether qualified or not, must file an unrelated business income tax return, form TC-20UBI, when it has unrelated business income. Attach a copy of your federal form 990-T as filed with the IRS to your Utah return. Other detail schedules should NOT be included with the initial filing. The Auditing Division of the Tax Commission may request these detail schedules at a later date.

One-day Utah Corporation (IRC Section 338)

Transactions for which an election has been made or considered to be made for federal purposes under IRC Section 338 are treated as provided in UCA §59-7-114. An election is not available for state purposes unless an election is made or considered to be made for federal purposes.

If an election is made or considered to be made for federal purposes under IRC Section 338, other than under Subsection 338(h)(10), the target corporation must file a separate entity one-day tax return for state purposes, as is required for federal purposes. The target corporation must include in that return the gain or loss on the deemed sale of assets in its adjusted income (UCA §59-7-114).

Apportionment Fraction: The gain or loss on the deemed sale of assets must be apportioned to Utah using the apportionment fraction, calculated to **six decimals**, of the target corporation, calculated on a separate entity basis for the most recent preceding taxable year consisting of 180 days or more.

If an election is made for federal purposes under IRC Subsection 338(h)(10) or IRC Section 336(e), do not use this form, use form TC-20.

Attach a copy of your federal return including the IRC Section 338 gain or loss and federal form 8023 or 8023A.

Taxable Year

The taxable year for Utah tax purposes must match the taxable year used for federal tax purposes. When the taxable year changes for federal purposes, the taxable year must be adjusted accordingly for Utah tax purposes.

Due Date

Returns must be filed on or before the 15th day of the fourth month following the close of the taxable year. If the due date falls on a weekend or legal holiday, the due date becomes the next business day.

The due date of the one-day return (TC-20(338)) is the same as the due date of the return that includes the taxable period of the target corporation immediately preceding the one-day return.

Where to File

Mail the completed return and any payment to:

Utah State Tax Commission
210 N 1950 W
Salt Lake City, UT 84134-0300

Filing Extension

Corporations are automatically allowed an extension of up to six months to file a return without filing an extension form. **This is an extension of time to file the return – NOT an extension of time to pay taxes.** To avoid penalty and interest, the prepayment requirements must be met on or before the original return due date and the return must be filed within the six-month extension period.

Minimum Tax

There is a minimum tax (privilege tax) of \$100 on every regular C corporation, regulated investment company (RIC), and real estate investment trust (REIT) regard-

less of whether the corporation exercises its right to do business. The minimum tax does not apply to homeowners associations, exempt corporations with unrelated business income, or one-day (section 338) corporations.

Prepayment of Minimum Tax

Corporations subject to the minimum tax that meet the prepayment requirement in the **current** year and that had a tax liability of \$100 (the minimum tax) for the previous year may choose to prepay the minimum tax amount of \$100 on the 15th day of the 12th month instead of four increments of \$25.

Corporations subject to the minimum tax that met the prepayment requirement in the **previous** year and have a tax liability of \$100 (the minimum tax) in the current year may choose to prepay the minimum tax amount of \$100 on the 15th day of 12th month instead of four increments of \$25. In this scenario, the corporation must pay \$100, not 90 percent.

Corporations subject to the minimum tax not making the required tax prepayments are subject to a penalty as stated in "Penalties," below.

Prepayment Requirements (does not apply to Section 338 corporations)

Extension Prepayments

The required extension prepayments must equal 90 percent of the tax due for the current year's tax liability (or the \$100 minimum tax, whichever is greater) or 100 percent of the previous year's tax liability. *Typically, corporations that make estimated prepayments using form TC-559, "Utah Corporation Franchise/ Income Tax Payment Coupon," will have complied with the 90-percent requirement and may not need to make additional prepayments to avoid extension penalties.*

Quarterly Payments

Every corporation having a Utah tax liability of \$3,000 or more in the current taxable year, or a tax liability of \$3,000 or more in the previous taxable year, must make quarterly estimated tax payments.

A corporation is not subject to the estimated tax payment requirements the first year the corporation is required to file a return in Utah if the corporation makes a payment on or before the due date, without the automatic extension, equal to or greater than the minimum tax.

Quarterly estimated tax payments are due in four equal payments on the 15th day of the 4th, 6th, 9th and 12th months of the corporation's taxable year. Corporations may elect to make the quarterly estimated tax payments equal to 90 percent of the current year's tax or 100 percent of the prior year's tax. As defined in IRC Section 6655, the applicable percentage of the required payment for annualized income installments, for adjusted seasonal installments, and for estimated tax payments based on the current year tax liability, is the following:

<u>Installment</u>	<u>Percentage</u>
1st	22.5
2nd	45.0
3rd	67.5
4th	90.0

If a taxpayer elects a different annualization period than the period used for federal purposes, the taxpayer must make an election with the Tax Commission at the same time as provided in IRC Section 6655. Estimated tax payments should be made with form TC-559, "Utah Corporation Franchise/Income Tax Payment Coupon."

Corporations not making the required tax prepayments are subject to a penalty as stated in "Penalties," below.

Penalties

Utah law provides for uniform tax penalties for failure to file tax returns, failure to pay tax due, and failure to file information returns or supporting schedules.

The penalty for **failure to file a tax due return** by the due date is the greater of \$20 or 10 percent of the unpaid tax. If a tax balance is still unpaid 90 days after the due date, a second penalty of \$20 or 10 percent of the tax balance, whichever is greater, will be added for failure to pay timely.

The penalty for **failure to pay tax due** as reported on a timely filed return, or within 30 days of a notice of deficiency, is \$20 or 10 percent of the tax due, whichever is greater.

The penalty for **underpayment of the extension prepayment** is 2 percent per month of the unpaid tax during the extension period. If the return is not filed by the extension due date, failure to file and failure to pay penalties will apply as if the extension has not been granted.

The penalty for **failure to file an information return** or a complete supporting schedule is \$50 for each return or schedule up to a maximum of \$1,000.

The penalty for each **underpayment of required estimated tax or required quarterly installment** is determined by applying the state interest rate(s) in effect for the period of the underpayment, plus four percentage points to the amount of the underpayment for the period of the underpayment.

For a list of additional penalties that may be imposed, refer to UCA §59-1-401 and Pub 58.

The Tax Commission will calculate the penalty for underpayment of required prepayments. Taxpayers who would like to calculate their own penalty may contact the Tax Commission at (801) 297-7790 or 1-800-662-4335, ext. 7790 for assistance.

Exceptions to Penalty on Estimated Tax

Annualized Exception

A corporation may annualize its income before determining the amount of each installment. It is recommended federal guidelines be followed in determining annualized income. If the corporation meets the annu-

alized exception at the federal level for any installment, check the appropriate box(es) on form Utah form:

TC-20HA, line 10
TC-20R, line 15
TC-20REIT, line 15
TC-20UBI, line 13

Recurring Seasonal Exception

A corporation with recurring seasonal income may annualize its income before determining the amount of each installment. It is recommended federal guidelines be followed in determining seasonal income. If the corporation meets the seasonal exception at the federal level for any installment, check the appropriate box(es) on Utah form:

TC-20HA, line 10
TC-20R, line 15
TC-20REIT, line 15
TC-20UBI, line 13

Prepayment of Minimum Tax Requirement

Corporations that meet the prepayment requirement in the **current year** and that had a tax liability of \$100 (the minimum tax) for the previous year may choose to prepay the minimum tax amount of \$100 on the 15th day of the 12th month instead of four increments of \$25.

Corporations that met the prepayment requirement in the **previous year** and have a tax liability of \$100 (the minimum tax) in the current year may choose to prepay the minimum tax amount of \$100 on the 15th day of the 12th month instead of four increments of \$25. In this scenario, the corporation must pay \$100, not 90 percent.

NOTE: The prepayment penalty does not apply to a one-day corporation under IRC Section 338.

Interest

Interest will be assessed at the rate prescribed by law from the original due date until any outstanding liability is paid in full. The interest rate for most taxes and fees administered by the Tax Commission for the 2005 calendar year is **4 percent**. Pub 58, which contains applicable interest rates, is available on the Internet at tax.utah.gov or by calling or writing the Tax Commission.

Suspension for Failure to Pay Tax Due

Utah law provides for suspension of the corporation's right to do business in Utah if the corporation fails to pay tax due before 5:00 p.m. on the last day of the 11th month after the due date.

If a corporation owes tax and is unable to pay all or a portion of the amount owed, the corporation may complete form TC-804B, Payment Agreement Request. The form can be obtained online at tax.utah.gov.

Instructions For Completing Return

Corporation Name and Address Area

Enter the corporation name, address and telephone number, including area code. If the address has changed, check the physical address and/or mailing address box. To make additional changes, see "Corporation Changes" in the General Instructions.

Corporation Identification Numbers

Enter the Employer Identification Number (EIN) and Utah Incorporation/Qualification Number issued by the Department of Commerce in the appropriate fields.

Filing Period

If the return is being filed for a period other than the calendar year ending Dec. 31, 2004, enter the beginning and ending filing period dates.

Amended Returns

To amend a return, use the tax form and instructions for the year you are amending.

An amended state return should be filed promptly if:

1. An error is discovered on your state or federal return after it has been filed; or
2. Your federal return is audited or adjusted by the IRS and the audit or adjustment affects your state return. You must report such changes or corrected net income within 90 days of the IRS's final determination.

Do not submit an amended return for the purpose of claiming a loss carryback refund. The Tax Commission automatically calculates any carryback. Any refund will be mailed to the corporation.

To amend a previously filed return enter a number in the box titled "For Amended Return – Enter Code (1-4)" at the top of page one of the form that best corresponds to your "REASON FOR AMENDING." See codes below:

The Reasons for Amending

1. You filed an amended return with the IRS (attach a copy of your amended federal return).
2. You made an error on your state return (attach an explanation of the adjustments made).
3. Federal audit adjustments which resulted in changes in federal taxable income were issued and became final (attach a copy of the IRS adjustment).
4. Other (attach explanation to return).

Complete the return, entering the corrected figures. Enter other amounts shown on the original return. When filing an amended return, enter the amount of tax paid with the original return and/or subsequent payments of the tax prior to filing the amended return less any previous refunds (exclude refund interest).

Remember: Except for the amounts amended, the amounts entered on the return must match the original return.

Utah Use Tax

(not applicable for forms TC-20HA, TC-20UBI, or TC-20(338))

Use tax is required on all taxable items purchased for storage, use or consumption in Utah, if Utah sales and use tax was not paid at the time of purchase.

Purchases include amounts paid or charged for purchases made on the Internet or through catalogs. Credit is allowed for sales and use tax paid to another state, but not to a foreign country. If the sales tax rate in the other state is lower than Utah's sales tax rate, the consumer is required to pay the difference. If the sales

Use Tax Rate Chart (Effective Dec. 31, 2004)

.0600 Beaver County	.0600 San Juan County
.0700 Beaver City	.0650 Monticello
.0600 Box Elder County	.0600 Sanpete County
.0625 Brigham City, Perry, Willard	.0625 Ephraim, Gunnison
.0700 Snowville	.0600 Sevier County
.0610 Cache County	.0625 Richfield, Salina
.0635 Cache Valley Transit, Hyde Park, Hyrum, Logan, Millville, Nibley, N. Logan, Providence, Richmond, River Heights, Smithfield	.0610 Summit County
.0600 Carbon County	.0735 Park City
.0625 Price, Wellington	.0635 Snyderville Basin Transit
.0600 Daggett County	.0600 Tooele County
.0650 Davis County	.0625 Erda, Grantsville, Lakepoint, Lincoln, Stansbury Park, Tooele City
.0600 Duchesne County	.0650 Uintah County
.0625 Roosevelt	.0675 Vernal
.0575 Emery County	.0600 Utah County
.0750 Green River	.0625 Alpine, American Fork, Cedar Hills, Highland, Lehi, London, Mapleton, Orem, Payson, Pleasant Grove, Provo, Provo Canyon, Salem, Spanish Fork, Springville
.0700 Garfield County	.0600 Wasatch County
.0800 Boulder, Panguitch, Tropic	.0625 Heber
.0600 Grand County	.0725 Park City East
.0775 Moab	.0600 Washington County
.0600 Iron County	.0625 Hurricane, Ivins, La Verkin, St. George, Santa Clara, Washington City
.0775 Brian Head	.0750 Springdale
.0600 Juab County	.0600 Wayne County
.0625 Nephi	.0650 Weber County
.0675 Kane County	
.0775 Kanab, Orderville	
.0575 Millard County	
.0600 Morgan County	
.0600 Piute County	
.0600 Rich County	
.0700 Garden City	
.0660 Salt Lake County	
.0810 Alta	

Worksheet for Computing Utah Use Tax (Retain this worksheet for your records.)

1. Total amount of purchases subject to use tax \$ _____
2. Use tax rate (decimal from chart) _____
3. Use tax (multiply line 1 by line 2) \$ _____
4. Credit for sales tax paid to another state \$ _____
5. Use tax due (line 3 less line 4)
Enter ZERO if less than zero \$ _____

tax rate in the other state is greater than Utah's sales tax rate, no sales or use tax credit or refund applies.

Enter use tax of \$400 or less. If the amount exceeds \$400, the purchaser is required to obtain a sales and use tax license and to pay the use tax on a Utah Sales and Use Tax Return.

Sales and use tax rates vary throughout Utah. Use the "Use Tax Rate Chart" on page 4 to find the tax rate for the Utah location where the merchandise was delivered, stored, used or consumed. If the city is not listed, use the county tax rate. Complete the worksheet to determine the amount of use tax due. Credit for sales taxes paid to another state cannot exceed the Utah tax otherwise due on those items. If sales taxes were paid to more than one state, complete a worksheet for each state. Enter the sum of the use tax from each worksheet.

Signature and Date

Sign and date the return. A refund will not be granted unless the return is signed and dated.

Paid Preparer Authorization

If the corporation wants to allow the Tax Commission to discuss their 2004 return with the paid preparer who signed it, check the box on the right side of the signature area of the return. This authorization applies only to the individual whose signature appears in the "Paid Preparer Section" of the return. It does not apply to the firm, if any, shown in that section.

If the box is checked, the corporation is authorizing the Tax Commission to call the paid preparer to answer any questions that may arise during the processing of the return. The paid preparer is also authorized to:

- Give the Tax Commission any information that is missing from the return,

- Call the Tax Commission for information about the processing of the return or the status of any refund or payment(s), and
- Respond to certain Tax Commission notices about math errors, offsets, and return preparation.

The corporation is not authorizing the preparer to receive any refund check, bind the entity to anything (including any additional tax liability), or otherwise represent the entity before the Tax Commission. If the corporation wants to expand the preparer's authorization, a power of attorney must be completed and submitted to the Tax Commission.

The authorization cannot be revoked. However, the authorization will automatically end no later than the due date (without regard to extensions) for filing the entity's 2005 tax return.

Paid Preparer

The paid preparer must enter his or her name, address, and social security number or PTIN in the section below the corporate officer's signature on the return.

Preparer Penalties

The person who prepares, presents, procures, advises, aids, assists or counsels another on a return, affidavit, claim or similar document administered by the Tax Commission, and who knows or has reason to believe it may understate a tax, fee or charge is subject to both a civil penalty (\$500 per document) and criminal penalties (second degree felony with a fine between \$1,500 to \$25,000). See Utah Code Sections 59-1-401(9) and (10) for specific details.

Instructions For Schedule E - Prepayments of Any Type

Line 1

Enter the total amount of all refunds applied from the prior year to the current year's liability.

Line 2

List the date, check number and amount of extension prepayment.

Line 3

List the date, check number and amount of all prepayments made for the filing period. Enter the total amount on line 3. Attach additional pages, if necessary.

Line 4

Add lines 1, 2 and 3. Enter the total on this line and on the appropriate line of the return, as follows:

TC-20HA, line 5

TC-20R, line 12

TC-20REIT, line 12

TC-20UBI, line 8

TC-20(338), line 9

TC-20REIT Line-by-Line Instructions

Line 1 – Net Income/Loss

Enter the REIT's taxable income from federal form 1120-REIT, line 22.

Line 2 – Federal Net Operating Loss Deduction

Enter the federal net operating loss deduction from federal form 1120-REIT, line 21a.

Line 3 – Apportionable Income or Loss

Line 1 plus line 2.

Line 4 – Apportionment Fraction

100 percent or the fraction from Schedule J, line 7, if applicable.

Line 5 – Utah Taxable Income/Loss

Multiply line 3 by line 4. If Utah taxable income on line 5 is a loss, the REIT may choose to: 1) carry the loss back (subject to the \$1,000,000 limitation), or 2) forego the loss carryback and carry the loss forward, if the federal election to forego was made.

If an election is made to forego the federal net operating loss carryback, a similar election is considered to be made for Utah tax purposes unless the taxpayer makes a specific election to carry back the loss for Utah purposes. Indicate in the appropriate box whether you elect to forego the Utah net loss carryback:

Yes, forego the loss carryback

No, treat the loss as a carryback

If an election is not made to forego the loss carryback, the Utah net loss will be carried back to the earliest of the three preceding tax years; if not entirely used to offset income of that year, it will be carried to the second year preceding the loss year; any remaining loss will be carried to the taxable year immediately preceding the loss year. Any remaining loss should be carried forward.

Do not submit an amended return for the purpose of claiming a loss carryback refund. A refund resulting from the carryback of a Utah net loss will be sent automatically.

Line 6 – Utah Net Loss Carried Forward from Prior Years

Losses incurred in years beginning on or after Jan. 1, 1994, which remain after all carrybacks have been applied, may be carried forward for fifteen taxable years following the taxable year of the loss.

Attach documentation to the return to support the loss amounts carried forward on line 6.

Line 7 – Net Taxable income

Line 5 less line 6.

Line 8 – Tax Calculation

Multiply line 7 by .05, or enter the \$100 minimum tax due, whichever is greater.

Line 9 – Total Penalties and Interest

Enter any applicable penalty and interest amounts on the appropriate lines. Enter the total amount on this line. The Tax Commission will calculate the penalty for underpayment of required prepayments. See "General Instructions" regarding penalties and interest.

Line 10 – Utah Use Tax

Enter any use tax calculated on the worksheet in the General Instructions. If sales taxes were paid to more than one state, complete a worksheet for each state and enter the sum of the use tax from each worksheet.

Line 11 – Total Tax, Penalties and Interest Due

Add lines 8, 9 and 10.

Line 12 – Total Prepayments

Enter the total from Schedule E, line 4.

Line 13 – Total Tax Due

If line 11 is larger than line 12, subtract line 12 from line 11. Make check or money order payable to the Utah State Tax Commission. **Do not mail cash. The Tax Commission assumes no liability for loss of cash placed in mail.** Attach a schedule for any nonrefundable credits claimed.

Line 14 – Total Refund

If line 12 is larger than line 11, subtract line 11 from line 12.

Line 15 – Quarterly Estimated Prepayments Meeting Exception

Check boxes corresponding to the four quarterly prepayments for those quarters in which penalty exceptions exist. Refer to "Exceptions to Penalty on Estimated Tax" in the general instructions for more information. Attach supporting documentation.

Page 2 – Supplemental Information to be Supplied by all REITs

All REITs must complete this section, located on the back of the return.

Instructions for Schedule J - Apportionment Schedule

Determine apportionment fraction by completing this schedule. The factors express a percent for tangible property in Utah, for wages and salaries in Utah, and for sales in Utah. These factors are added together and divided by the number of factors present (typically 3) to arrive at the Utah apportionment fraction calculated to **six decimals**. This fraction is to be applied to the apportionable income (or loss) to arrive at the amount of income (or loss) apportioned to Utah. In cases where one or more of the factors is omitted due to peculiar aspects of the business operations, divide by the number of factors present.

Income or loss from partnership or joint venture interests must be included in income and apportioned to Utah through application of the three-factor formula consisting of property, payroll and sales.

For apportionment purposes, the portion of partnership or joint venture property, payroll and sales to be included in the corporation's property, payroll and sales factors must be computed on the basis of the corporation's ownership interest in the partnership or joint venture.

Briefly describe the nature and location(s) of your Utah business activities in the space provided at the top of this schedule.

Lines 1(a) - 1(e) – Tangible Property

Show the average cost value during the taxable year of real and tangible personal property used in the business within the state (including leased property) in column A and overall (including Utah) in column B.

Property owned by the corporation is valued at its original cost. Property rented by the corporation is valued at eight times the net annual rental rate. Net annual rental rate is the annual rental rate paid by the corporation less the annual rate received by the corporation from subrentals.

The average value of property must be determined by averaging the cost values at the beginning and end of the tax period. However, monthly values may be used or required if monthly averaging more clearly reflects the average value of the corporation's property.

A supporting schedule should be attached whenever monthly averaging is used.

Line 2 – Total Tangible Property

Enter totals of lines 1(a) through 1(e) in the respective columns.

Line 2(a) – Property Fraction

Determine property fraction: line 2, column A divided by line 2, column B.

Line 3 – Wages, Salaries, Commissions and Other Includable Compensation

Wages, salaries, commissions and other includable compensation paid to employees for personal services must be included in the Utah factor to the extent the

services, for which the compensation was paid, were rendered in Utah.

Compensation is paid in the state if:

1. The individual's service is performed entirely within the state;
2. The individual's service is performed both within and outside the state, but the service performed outside the state is incidental to the individual's service within the state; or
3. Some of the service is performed in the state and:
 - a. The base of operations or, if there is no base of operations, the place from which the service is directed or controlled is within this state, or
 - b. The base of operations or the place from which the service is directed or controlled is not in any state in which some part of the service is performed, but the individual's residence is in this state.

Amounts reportable for employment security purposes may ordinarily be used to determine the wage factor.

Overall wages, including Utah, are listed in column B.

Line 3(a) – Wages Fraction

Determine wage fraction: line 3, column A divided by line 3, column B.

Lines 4(a) - 4(e) – Gross Receipts from Business

The sales factor is the percentage the sales or charges for services within the state for the taxable year bear to the overall sales for the taxable year. Gross receipts from the performance of services are in this state to the extent the services are performed in this state.

Sales of tangible personal property are in this state if the property is delivered or shipped to a purchaser within this state regardless of the F.O.B. point or other conditions of the sale, or if the property is shipped from an office, store, warehouse, factory or other place of storage in this state and:

- (1) the purchaser is the United States Government, or
- (2) the corporation is not taxable in the state of the purchaser.

Overall sales, including Utah, are listed in column B.

Nexus: The jurisdictional link that must be present before a state may tax a corporation upon its activities within a state's borders.

Note: Exception to the above method for securities brokerage businesses can be found in UCA §59-7-319(3).

Line 5 – Total Sales and Service

Enter totals of lines 4(a) through 4(e) in their respective columns.

Line 5(a) – Sales Fraction

Determine sales fraction: line 5, column A divided by line 5, column B.

Line 6 – Total Fraction

Enter total of lines 2(a), 3(a) and 5(a).

Line 7 – Apportionment Fraction

Calculate the apportionment fraction to ***six decimals***: Line 6 divided by the number of factors used (typically 3 – property, wages and sales). If one or more of the factors are not present (i.e., there is a zero in the denominator on lines 2, 3 or 5 in column B), divide by the number of factors present. If the numerator is zero, but a denominator is present, include that factor in the number of factors present.

Enter the apportionment fraction here and as indicated on the form.